

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 443 - SB 508

March 18, 2015

**SUMMARY OF ORIGINAL BILL:** Removes the language "in light of the circumstances under which it was made" relating to false or misleading statements with respect to any material fact by an applicant or license holder in an application for a license to sell motor vehicles.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (004325):** Deletes all language after the enacting clause. Establishes that no motor vehicle dealer license shall be required to purchase salvage or nonrepairable motor vehicles from an automobile auction if such auction primarily sells motor vehicles on consignment and annually sells in this state at least 10,000 nonrepairable vehicles, salvage vehicles, and vehicles that are a combination of both nonrepairable and salvage vehicles. Establishes that a motor vehicle dealer license shall not be required to purchase motor vehicles that are not repairable and that are not salvage vehicles from an automobile auction if the vehicles to be purchased weigh less than 10,000 pounds gross vehicle rating, have a value of less than \$4,000 or are vehicles not covered under the *Tennessee Consumer Protection Act of 1977*. States that the provisions of this act shall not limit the sale of nonrepairable vehicles or salvage vehicles titled in a state other than Tennessee, or the sale of nonrepairable or salvage vehicles to a person residing in a state other than Tennessee. This legislation has an effective date of July 1, 2015.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Based on information provided by the Motor Vehicle Commission, this will require additional training to for the Commission's inspectors to ensure that only qualifying automobile auctions sell salvaged or nonrepairable vehicles to the public.
- Any additional training can provided for inspection staff without additional costs.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period.

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- The Motor Vehicle Commission had an annual surplus of \$929,379 in FY12-13, an annual surplus of \$282,456 in FY13-14, and a cumulative reserve balance of \$1,621,447 on June 30, 2014.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

/jdb